

124 - Department of Retirement Systems

A001 Administration

Agency management activities include executive leadership, budget, fiscal and legal services, and policy and planning support to the Governor on pension issues, personnel, and other administrative support services. The authority for the Department of Retirement Systems (DRS) is established by RCW 41.50.

	FY 2010	FY 2011	Biennial Total
FTE's	23.9	23.9	23.9
GFS	\$0	\$0	\$0
Other	\$2,282,000	\$2,282,000	\$4,564,000
Total	\$2,282,000	\$2,282,000	\$4,564,000

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Safeguard and manage public funds

Expected Results

Comply with federal and state statutes, as well as fiduciary responsibilities. Maintain administrative costs at an amount that is lower than those for other public pension systems in the United States; given complexity and service levels.

Percent that DRS' per-member cost is below public sector peer group.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	10%		
	4th Qtr	10%		
2007-09	8th Qtr	10%	0%	(10)%
	4th Qtr	25%	38.5%	13.5%
2005-07	8th Qtr	25%	10%	(15)%
	4th Qtr	25%	26%	1%
<i>Benchmarking is performed by a third party provider and factors in corresponding levels of complexity, service and types/volumes of transactions. The "percent below" figure represents the difference between DRS' actual cost and the predicted cost (per member), relative to other public pension administrators. The formula is adjusted each FY based on a statistical analysis of the different factors that drive cost. Final analysis on the prior FY is available the following spring.</i>				

A002 Deferred Compensation Management for Public Employees

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

This program enables eligible public employees to defer a portion of their earnings under a series of before-tax investment plans until retirement or termination of public employment. At the end of Fiscal Year 2009, the program had \$2.2 billion in assets, serving more than 53,000 employees of state government, higher education, and political subdivisions. This activity also includes a supplemental retirement program serving more than 200 judges. Authority for the Deferred Compensation Plan is contained in RCW 41.50 and Section 457 of the Internal Revenue Code, while authority for the Judges program is contained in RCW 2.12.

	FY 2010	FY 2011	Biennial Total
FTE's	19.0	19.0	19.0
GFS	\$0	\$0	\$0
Other	\$1,859,000	\$1,664,000	\$3,523,000
Total	\$1,859,000	\$1,664,000	\$3,523,000

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Safeguard and manage public funds

Expected Results

Increase participation in the program. Implement program changes necessitated by changes in federal law. Maintain low administrative fees. Maintain high participant satisfaction, as measured by an annual survey. Maintain industry standard record keeping for DCP participants. Maintain program compliance with federal law.

Number of new deferred compensation participants.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	3,505		
	4th Qtr	3,407		
2007-09	8th Qtr	3,670	2,557	(1,113)
	4th Qtr	3,561	3,594	33
2005-07	8th Qtr	3,553	3,141	(412)
	4th Qtr	3,395	3,307	(88)
Target goal is based on a 10% increase of new participants above the 3-year average.				

A004 Member Data Services

This activity receives and processes essential member information submitted by more than 1,300 public employers. It also contains the unit responsible for conducting field audits of and providing training to those public employers, to ensure their compliance with state laws and regulations. Authority for DRS is established in RCW 41.50.

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

	FY 2010	FY 2011	Biennial Total
FTE's	22.7	22.7	22.7
GFS	\$0	\$0	\$0
Other	\$1,931,000	\$1,933,000	\$3,864,000
Total	\$1,931,000	\$1,933,000	\$3,864,000

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Safeguard and manage public funds

Expected Results

Obtain timely and accurate member contribution and service credit information from employers.
Maintain high satisfaction ratings from employers, as measured by an annual survey.

Percent of benefit estimates completed properly from available information.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	100%		
	4th Qtr	100%		
2007-09	8th Qtr	100%	96.8%	(3.2)%
	4th Qtr	100%	94%	(6)%
2005-07	8th Qtr	100%	93%	(7)%
<i>This newer measure takes into account both the accuracy of the benefit estimate, as well as adherence to appropriate procedures.</i>				

A006 One-Time Projects

This activity contains the one-time costs associated with legislative projects approved and funded each session, which are then removed in the carry-forward level calculation process each biennium.

	FY 2010	FY 2011	Biennial Total
FTE's	7.6	4.0	5.8
GFS	\$0	\$0	\$0
Other	\$980,000	\$0	\$980,000
Total	\$980,000	\$0	\$980,000

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Safeguard and manage public funds

Expected Results

Implement projects on time and within budget.

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

A007 Retirement Customer Services

The Department of Retirement Systems (DRS) serves over half a million active, retired, and inactive members of the Public Employees, School Employees, Teachers, Law Enforcement and Firefighters, Washington State Patrol, Public Safety Employees, and Judicial retirement systems. Services include determining eligibility for retirement, educating and counseling prospective retirees, processing disability and death adjustments, and computing retirement benefits, deductions, and benefit adjustments. Authority for administering the retirement systems is established in RCW 2.10, 2.12, 41.26, 41.32, 41.34, 41.35, 41.37, 41.40, and 43.43. DRS also must conform to legislative mandates established in RCW 28.B10, 41.44, 41.45, 41.54, and 44.44.

	FY 2010	FY 2011	Biennial Total
FTE's	113.7	113.7	113.7
GFS	\$0	\$0	\$0
Other	\$8,789,000	\$8,819,000	\$17,608,000
Total	\$8,789,000	\$8,819,000	\$17,608,000

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Provide a capable workforce to execute government functions

Expected Results

Provide benefit services that are a constitutionally-guaranteed contract between members and the state. Provide prompt service to members, as measured by responsiveness to: walk-in customers, phone calls, and correspondence. Maintain high member satisfaction, as measured by an annual survey.

Average number of minutes after arrival that members visiting the Department of Retirement Systems will receive knowledgeable staff service.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	4		
	4th Qtr	4		
2007-09	8th Qtr	4	2.16	(1.84)
	4th Qtr	4	2.3	(1.7)
2005-07	8th Qtr	4	1.96	(2.04)
	4th Qtr	4	2.08	(1.92)
This measure captures the "wait time" for members who don't have an appointment.				

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Percent of incoming phone calls to DRS answered within 30 seconds.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	90%		
	4th Qtr	90%		
2007-09	8th Qtr	90%	93.2%	3.2%
	4th Qtr	90%	92.5%	2.5%
2005-07	8th Qtr	90%	91.3%	1.3%
	4th Qtr	90%	90.1%	0.1%
<i>The calls in this measure are those that come into DRS' primary phone line, which has an automated call distributor.</i>				

A008 Retirement Information Systems

DRS receives and manages essential information and records for members and retirees. Information services support includes database management, systems development, electronic communications support, system maintenance and troubleshooting, data collection and processing, and disbursement processing. Authority for DRS is established in RCW 41.50.

	FY 2010	FY 2011	Biennial Total
FTE's	58.4	58.4	58.4
GFS	\$0	\$0	\$0
Other	\$8,143,000	\$8,115,000	\$16,258,000
Total	\$8,143,000	\$8,115,000	\$16,258,000

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Provide data, information, and analysis to support decision-making

Expected Results

Maintain accurate and efficient pension systems. Secure member information and data. Complete timely and accurate programming associated with legislatively mandated benefit changes, and implementation of new plans.

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Average number of days to complete requests for retirement estimates.				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	5		
	4th Qtr	5		
2007-09	8th Qtr	5	3.55	(1.45)
	4th Qtr	5	3.01	(1.99)
2005-07	8th Qtr	5	3.75	(1.25)
	4th Qtr	5	4.61	(0.39)

A009 Trust Fund Accounting

DRS administers retirement benefits for state and local government employees. At the end of Fiscal Year 2009, the pension trust funds contained \$50 billion in assets, contributions totaled \$2.4 billion, and disbursements exceeded \$2.8 billion to an average of over 130,000 retirees each month. This activity contains the costs associated with all phases of accounting for the pension/trust funds, including collection of contributions, withdrawals and monthly pension disbursements, and IRS reporting. Authority for DRS is established in RCW 41.50.

	FY 2010	FY 2011	Biennial Total
FTE's	23.1	23.1	23.1
GFS	\$0	\$0	\$0
Other	\$3,119,000	\$3,111,000	\$6,230,000
Total	\$3,119,000	\$3,111,000	\$6,230,000

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Safeguard and manage public funds

Expected Results

Provide timely and accurate pension payments to retirees, and accurate reporting to the Internal Revenue Service. Maintain industry standard record keeping for members participating the Public Employees', School Employees' and Teachers' Retirement Systems Plan 3's.

Appropriation Period: 2009-11 Activity Version: 2C - 2009-11 Enacted Recast

Benefits paid annually in dollars (annuitants, withdrawals, Deferred Compensation and Dependent Care).				
Biennium	Period	Target	Actual	Variance
2009-11	8th Qtr	\$3,215		
	4th Qtr	\$3,062		
2007-09	8th Qtr	\$3,027	\$2,916	\$(111)
	4th Qtr	\$2,829	\$2,839	\$10
2005-07	8th Qtr	\$2,473	\$2,644	\$171
	4th Qtr	\$2,409	\$2,355	\$(54)
<i>Dollars are in millions.</i>				

A010 Old Age and Survivors Insurance (OASI) Program

This activity administers the Social Security and Medicare coverage program, also known as Old Age Survivor Insurance (OASI), for all state and local (public) government employers throughout the state of Washington, by serving as a facilitator and communication bridge between those employers and the Social Security Administration and Internal Revenue Service.

	FY 2010	FY 2011	Biennial Total
FTE's	1.5	1.5	1.5
GFS	\$0	\$0	\$0
Other	\$141,000	\$141,000	\$282,000
Total	\$141,000	\$141,000	\$282,000

Statewide Result Area: Strengthen government's ability to achieve results efficiently and effectively

Statewide Strategy: Provide a capable workforce to execute government functions

Expected Results

State and local government employees have retirement benefits. State and local governments meet their obligations under the federal law.

Grand Total

	FY 2010	FY 2011	Biennial Total
FTE's	269.9	266.3	268.1
GFS	\$0	\$0	\$0
Other	\$27,244,000	\$26,065,000	\$53,309,000
Total	\$27,244,000	\$26,065,000	\$53,309,000